Mr. R. N. Thomson

October 7, 1976

R. B. Seligman

Pressure Drop Instrument

We are planning to develop a licensing agreement for the manufacture of the improved pressure drop instrument which we developed recently. Perhaps you could draft a letter to Alex Holtzman which outlines the situation concerning this agreement.

I would suggest the following:

- 7% royalty per machine for Philip Morris
- a credit nameplate to Philip Morris on each instrument
- terms of agreement as you might suggest.

We have been advised that we cannot obtain a patent on this device. Also that we have an agreement with Celanese which enables us to sub-license one third party for part of the equipment, which is covered by a Celanese patent.

If you are not completely familiar with the details, I would suggest you talk with Walt Mutter.

RBS/sgr

cc: Dr. W. F. Gannon
Mr. W. F. Mutter

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